

## **The complaint**

Miss T complains that there was a delay in updating her credit file when she settled her agreement with Oodle Financial Services Limited trading as Oodle Car Finance. The delay resulted in her being unable to proceed with a loan at a preferential interest rate and having to take out a loan at a higher interest rate instead.

## **What happened**

In September 2019 Miss T was supplied with a car and entered into a hire purchase agreement with Oodle. The agreement was for a term of 48 months. Miss T settled the agreement on 30 March 2023 and received a confirmation email from Oodle advising her that it would take 6-8 weeks for her credit file to reflect this.

Miss T contacted Oodle on 19 May as she had noticed that her credit file had been updated on 17 May 2023 showing the agreement as up to date with payments with an open status and a balance outstanding. Oodle replied to Miss T and advised her that it would take 6-8 weeks from the date it had re-reported the settlement of the loan.

Miss T contacted Oodle again on 7 June 2023 to chase a response and received a reply advising her that it would take 6-8 weeks for her credit file to update.

Miss T was unhappy with the response and complained to Oodle. She said that because of the delay she'd experienced with her credit file being updated to show the loan as settled, she had been unable to proceed with a loan she'd been offered at a preferential rate and said she had no alternative but to take out a loan at a higher rate instead.

Oodle upheld Miss T's complaint. It said that despite the customer service team settling the account on 5 April 2023, a request to amend Miss T's credit file wasn't submitted until 4 May 2023. Oodle apologised for any inconvenience caused but didn't offer Miss T any compensation.

Miss T remained unhappy and brought her complaint to this service.

Our investigator upheld the complaint. She said that it wasn't in dispute that there had been a delay in updating Miss T's credit file. The investigator said that she hadn't seen any evidence to show that the interest rate increase was caused by the delay, but she thought the delay was probably a factor. The investigator said that because of the delay and the chasing up that Miss T had been put to, Oodle should pay compensation of £100 for the distress and inconvenience caused.

Miss T didn't agree. She said £100 was disproportionate to the additional cost of the loan at the higher rate which she'd calculated to be £2371.60.

## **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Oodle has acknowledged that there was a delay in updating Miss T's credit file. Instead of requesting the amendment on 5 April 2023 when the account was settled, Oodle didn't request the amendment until 4 May 2023. This resulted in a delay of around 4 weeks.

I can see that Miss T was chasing Oodle throughout May 2023. Oodle responded to Miss T and said it had reported the settlement again on 4 May 2023. It isn't clear from the information I've seen whether the settlement was reported prior to this but it seems unlikely. Nor has Oodle explained why the settlement wasn't reported when it should've been.

Miss T has raised the issue of how Oodle will be changing its processes so that this doesn't happen in the future. I understand why Miss T has made this point. However, this service doesn't have the power to ask a business to change its processes and procedures, so I'm unable to take that aspect of Miss T's complaint any further.

I've thought about whether Oodle has done enough to put things right for Miss T. It has acknowledged the error and has apologised for any inconvenience caused.

I don't think Oodle has done enough to resolve the complaint. It's clear that Miss T was put to a significant degree of inconvenience at having to chase Oodle several times for an update on when her credit file would be amended. The delay has impacted on Miss T's ability to take out another loan at the time she had intended to.

I've taken account of what Miss T has said about losing the opportunity to take out a loan at a preferential rate and having to take out a loan at a higher rate. Miss T hasn't provided any evidence to show that she was offered a loan at the preferential rate, or any evidence to show that the loan with the preferential rate became unavailable due to the delay in amending Miss T's credit file. I can't be certain that the delay is a direct cause of Miss T having to take out a loan with a higher rate of interest than she would've liked. There are many factors which affect the rate at which a loan is offered to consumers.

Because of this, I don't think it's reasonable to ask Oodle to pay the difference in the cost of the loans. However, I do think it's reasonable to ask Oodle to pay compensation for the delay in amending Miss T's credit file and the distress and inconvenience that this caused her. I think the sum of £100 is fair.

### **Putting things right**

To put things right Oodle Financial Services Limited trading as Oodle Car Finance must pay compensation of £100 to Miss T.

### **My final decision**

My final decision is that I uphold the complaint. Oodle Financial Services Limited trading as Oodle Car Finance must pay compensation of £100 to Miss T.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 11 June 2024.

Emma Davy  
**Ombudsman**